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**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

MILLROCK INVESTMENT FUND 1, LLC,

Plaintiff,

v.

HEALTHCARE SOLUTIONS
MANAGEMENT GROUP, INC.;
HEALTHCARE SOLUTIONS HOLDINGS
INC.; LANDES CAPITAL
MANAGEMENT, LLC; LANDES AND
COMPAGNIE TRUST PRIVE KB; JOSHUA
CONSTANTIN; JUSTIN SMITH; STUART
MCMAHEN; AND BLACK LABEL
SERVICES, INC.,

Defendants.

**DEFENDANTS JOSHUA CONSTANTIN
AND STUART MCMAHEN'S
MEMORANDUM IN OPPOSITION TO
STATUS REPORT RE STATUS OF THIS
CASE IN LIGHT OF HSMG'S
BANKRUPTCY CASE**

Case No. 2:23-cv-000157-RJS-DAO

Chief District Judge Robert J. Shelby

Magistrate Judge Daphne A. Oberg

Defendants Joshua Constantin ("Constantin") and Stuart McMahan ("McMahan"), by
and through undersigned counsel, hereby submit this Memorandum in Opposition to Plaintiff

Millrock Investment Fund 1, LLC's ("Millrock") Status Report Re Status of This Case in Light of HSMG's Bankruptcy Case, and in support thereof, state as follows:

ARGUMENT

Millrock's motion to stay the present case should be denied. There is no nexus between the present case and the bankruptcy case, as they are totally unrelated to one another. Millrock's failure to demonstrate how the bankruptcy case has any correlation whatsoever to its fraudulent transfer claims against Constantin and McMahan requires denial of Millrock's motion.

Moreover, a stay would unnecessarily delay the litigation and unjustly prejudice Constantin and McMahan. As a result, this Court should deny Millrock's motion and award Constantin and McMahan their costs and fees incurred in having to respond to Millrock's baseless motion.

I. A STAY IS INAPPROPRIATE GIVEN THERE IS NO NEXUS BETWEEN THE PRESENT CASE AND THE BANKRUPTCY CASE

Millrock's utter failure to establish how its fraudulent transfer claims against Constantin and McMahan in the present case are in any way related to the bankruptcy case, dooms its motion. Indeed, Millrock has not, and cannot, show that the bankruptcy case is relevant to the present case. That is because the bankruptcy issues have no bearing on the fraudulent transfer claims lodged against Constantin and McMahan. In no world would the bankruptcy trustee need to analyze and weigh in on the fraudulent transfer claims made against Constantin and McMahan. In fact, the bankruptcy trustee has yet to even contact counsel for Constantin and McMahan, which only further illustrates the irrelevant nature of the two cases. Accordingly, given the absence of any relevant nexus between the present case and the bankruptcy case, there is no legitimate reason – and Millrock has failed to provide one – that the present case should be stayed.

**II. A STAY WOULD UNNECESSARILY DELAY LITIGATION AND PREJUDICE
CONSTANTIN AND MCMAHEN**

Further delaying the present case based on an unrelated proceeding is not only illogical, but undoubtedly prejudices Constantin and McMahan. Constantin and McMahan's Motion for Summary Judgment was filed with this Court on March 15, 2024, and has remained pending ever since. Granting Millrock's request would only prolong the resolution of the Motion for Summary Judgment and impede the progress of what has already been a delayed litigation process. As explained above, Millrock's request is without justification, the granting of which would set an arbitrary precedent and undermine this Court's efficiency. Put simply, Constantin and McMahan are entitled to a swift resolution of this case, which certainly outweighs the speculative and irrelevant concerns raised by Millrock regarding an unrelated proceeding.

CONCLUSION

Based on the foregoing, Constantin and McMahan respectfully request that the Court deny Millrock's request to stay the case and award Constantin and McMahan their costs and fees incurred in having to file this response.

DATED this 22nd day of May 2024.

CLYDE SNOW & SESSIONS

/s/ Keith M. Woodwell

Keith M. Woodwell

Thomas A. Brady

Nickolas C. Sessions

*Attorneys for Defendants Joshua Constantin and
Stuart McMahan*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of May 2024, I caused a true and correct copy of the foregoing **DEFENDANTS JOSHUA CONSTANTIN AND STUART MCMAHEN’S MEMORANDUM IN OPPOSITION TO STATUS REPORT RE STATUS OF THIS CASE IN LIGHT OF HSMG’S BANKRUPTCY CASE** to be sent to all attorneys of record via the court’s e-filing system.

CLYDE SNOW & SESSIONS

/s/ Kelcie Kinsley